

The Gazette



of India

EXTRAORDINARY

PART I—Section 1

PUBLISHED BY AUTHORITY

No. 1591

NEW DELHI, THURSDAY OCTOBER 24, 1963/KARTIKA 2, 1985

MINISTRY OF INTERNATIONAL TRADE

RESOLUTION

TARIFFS

*New Delhi, the 24th October 1963*

**No. 15(1)-Tar/63.**—The Tariff Commission has submitted its Report on the continuance of protection to the Piston Assembly (Pistons, Piston Rings and Gudgeon Pins) Industry on the basis of an enquiry undertaken by it under Sections 11(e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection to the Piston Assembly Industry should be continued at the existing rate of duty for a further period of three years from 1st January, 1964 i.e. upto 31st December, 1966.
- (2) In view of the rising targets of demand and the installation of capacities of new units before 1965-66 not being likely, expansion plans of established producers should be expedited and priority accorded to them for the release of foreign exchange as the raising of their capacity is quicker and would involve lesser additional cost and foreign exchange.
- (3) In order to remove the complaints of producers, the list of restricted categories of pistons (appendix 26, annexure A of the Red Book) should be revised so that indigenous industry may be helped and the import restrictions be relaxed where the small and special requirements of customers cannot be economically met by the indigenous producers.
- (4) Manufacturers of Piston Assembly should be allowed every facility to obtain adequate and timely supply of raw materials, especially where some part of it is to be imported so as to reduce production costs. A tendency to mark-up prices of automobile spares at 70 per cent. or 100 per cent. over landed cost of imported products is not justified particularly when a higher rate of protective duty is taken as part of landed cost. Producers should not show any complacency in regard to their performance by comparing their current selling prices with such mark-up over landed cost including duty of imported products.
- (5) The authorities should consider the case of this Industry favourably and ensure that its output does not fall on account of shortage of raw materials.
- (6) The companies should spare no pains to locate proper sand for their foundry and ensure the resulting economy.
- (7) As the producers are quality-conscious the need to take effective steps to eliminate complaints has been impressed upon them.

- (8) Having regard to the scope of price reduction and the example of certain other protected industries which have made periodic price reduction, producers of this industry should also follow such example.
- (9) Cost reduction being a continuous process, such producers as have not already introduced it, should maintain a proper system of Cost accounting to assess both their financial and technical progress.
2. Government accept recommendation (1) above and the necessary legislation will be undertaken in due course.
3. Government have taken note of recommendations (2) to (5) above and steps will be taken to implement them as far as possible.
4. The attention of the Piston Assembly manufacturers and producers is drawn to recommendations (6) to (9).

#### ORDER

Ordered that a copy of the Resolution be communicated to all concerned and that it be published in the Gazette of India.

C. S. RAMACHANDRAN, Jt. Secy.